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The New York Times | <https://nyti.ms/13gOckk>

SQUARE FEET | THE 30-MINUTE INTERVIEW

Ziel Feldman

By **Vivian Marino**

Jan. 8, 2013

Mr. Feldman, 54, is the founder and managing partner of the HFZ Capital Group, a real estate development and investment company that he formed in 2005.

The company is involved in several projects in Manhattan, including One Madison Park and the conversion of 11 East 68th Street from a rental property to a condominium property. Its latest project is a two-towered condo on both sides of the High Line.

Interview conducted and

condensed by

VIVIAN MARINO

Q. What does HFZ stand for?

A. My wife's name is Helene; F is Feldman; and Z is Ziel.

Q. What kind of year was 2012 for HFZ, and what's your outlook for 2013?

A. Business has been very good. The Manhattan market is unparalleled in its residential space, primarily on the upper end of the market. Capital is flowing from all over the world. We have investors and prospective purchasers of our product from places as far-flung as Saudi Arabia, China, Russia.

We see continued improvement in the residential market around the country. In New York, it's really a function of inventory and supply and demand. And demand is outstripping supply.

Q. Is most of your business now in Manhattan?

A. Our focus since 2009 has been just Manhattan.

Q. How many projects are you working on?

A. Fifteen.

Q. Let's talk about some of them, starting with One Madison Park, which you are developing with the Related Companies.

A. We're in the process of renovating, finishing the construction of the building, and we hope to start sales in 2013.

Q. *What about 11 East 68th Street, your conversion project with Vornado Realty Trust?*

A. The building has its 100th anniversary in March, and we're restoring and modernizing it, back to its original glory. We have high ceilings, big windows, and it's very well located; our apartments there tend to be more on the larger side. We're anticipating early 2013 for sales.



Earl Wilson/The New York Times

Q. *HFZ is also converting an office building in TriBeCa, at 11 Beach Street.*

A. That's another example of a period building. That's more industrial. Cast iron. The building will be entirely vacant by the end of the year and our current plans will be to convert to large, high-end condominiums. TriBeCa, particularly, has a lack of supply of larger units. So now we're in the

planning stages, and we're in the process of hiring some of the best architects around.

Q. Where are you in the High Line project?

A. Well, we closed on three parcels and we're designing two towers connected underneath the High Line. It's on 19th Street and 10th Avenue — one block west of the Frank Gehry building.

The towers will be approximately 130,000 feet. We're building what we think will be two unique, magnificent buildings, the location being at the center of the High Line but a stone's throw from the meatpacking district. That West Chelsea neighborhood since Avenues school has opened up is really attracting families.

Q. How many units will be built?

A. I don't know for sure, but I'd say less than 50. It's going to be glass and limestone but with a very unique treatment of the windows. It's a fully designed building. By Thomas Juul-Hansen. He's designed the interiors for One57 and he's doing the outside and the inside of our building.

Q. And what about prices per square foot?

A. West Chelsea commands pricing between \$1,900 and the high \$2,000s, I would say.

Q. What else are you working on?

A. We have several partnerships that we're working on, both private and not for profit. It's finding the opportunity. Real estate cycles very, very quickly.

A lot of the distress has already been dealt with. Now we're looking for circumstances. Churches, nonprofits, synagogues, they're starting to realize the untapped financial resources that they have in real estate. Banks that took back assets are now trying to develop them. There's a perception now that the market is very good.

Q. You spent six years as a real estate lawyer. What made you decide to go into development?

A. For me it was three years too long — from 1984 to 1990, which was a very frenetic period in real estate.

As a lawyer you see your clients in an up cycle making all this money and I said: "Gee, I'm smarter than them. I'm collecting a few thousand dollars on a closing and they're walking away with hundreds of thousands, millions of dollars."

So we bought some real estate at the law firm in '87-'88, at the peak of the market, and then it collapsed. I spent the next two years developing my workout skills and I eventually ended up reselling them to get my money back.